damage to wheat stocks when compared with total procurement of wheat in the respective years is around 0.18%, 0.34% and 0.18% respectively and thus negligible taking into account the volume of operations.

(c) Damaged wheat is disposed off for non-edible purposes like cattle/ poultry feed, industrial use, manure etc. These stocks are offered to those State Government Departments/Organisations which are bonafide users under Rate Running Contract in the first instance. The balance stocks are sold through open tenders to the parties registered with the FCI.

(d) Covered storage space has been increased by the FCI by hiring about 20 lakh MT capacity godowns in Punjab during the last 3 years. This has considerably decreased the storage of wheat in open complexes and minimised damages on this account. Besides the FCI is storing foodgrains scientifically and taking due care of prophylactic and curative treatments and pest control measures to save the foodgrains stock from deterioration.

Streamlining FCI

1854. SHRI S.M. LALJAN BASHA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there is a declining role for the Food Corporation of India in view of the vast capacity of private godowns' space hired;

(b) to what extent private operators can store, release and buy grains without the need of the FCI;

(c) whether Government propose to reduce the visibility and role of the FCI in the near future;

(d) the steps proposed to streamline the FCI and also reduce its rental charges for private godowns;

(e) whether any outside management agency has studied the FCI; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) and (b) No, Sir. The Food Corporation of India (FCI) hires private godowns capacity under compelling circumstances where

FCI/Central Warehousing Corporation (CWC) State Warehousing Corporation (SWC)/Government Agency godowns are not available. The economic criterial is kept in view for godowns rent of CWC/SWC godowns.

(c) and (d) There is no proposal to reduce the visibility and role of the Food Corporation of India.

The FCI has issued instructions for dehiring of surplus private storage capacity wherever the utilization is less than 25% or capacity has been declared as surplus.

All out efforts are also made to optimize utilization of installed capacity of FCI depending upon the pattern of procurement/offtake.

(e) and (f) Yes, Sir. M/s. Mckinsey & Co. was engaged by the FCI to conduct a study to bring about substantial and sustainable efficiency improvements in the FCI's functioning, inlcuding *inter-alia*, recommendations on new business models and structural changes, to reduce subsidy burden while improving its effectiveness in meeting the Government's social objectives. The major recommendations made by M/s. Mckinsey & Co. are given in the enclosed statement (*See* below). The recommendations made are at various stages of implementation.

Statement

The major recommendations made by M/s Mc Kinsey and Co.

- Adopting a multi-tiered debt structure and reducing working capital borrowings.
- Optimizing rail movement using a linear programme.
- Consolidating handling and road transportation contracts within regions and outsourcing to large logistic service providers.
- Purchasing consolidated requirement of gunny bags through open tender and reimbursing farmers/millers/arthias for supplying paddy in used gunnies.
- Procuring directly at FCI depots or rice mills in Punjab and Haryana.
- Renting excess capacity to third parties, i.e. private grain companies, logistic service providers.

- Appointing 3rd party agency to monitor stock moved by rail and to check transit losses.
- Reimbursing State agencies for stocks carried by them prior to actual delivery to the FCI.
- Revision of staffing norms and initiatives to increase staff productivity.
- Revising incentive norms, balancing labour capacity and retiring excess labour.
- Reducing obligatory expenses by having the market intermediaries perform additional tasks in the mandis.
- Reimbursement of procurement incidental to State agencies to be bench marked to the cost incurred by the FCI, linking custody and maintenance charges to quality of storage infrastructure, and building year to year cost reduction/efficiency improvement clauses in the supplier contracts/ MoU with State agencies.

Rehabilitation of displaced by Bhadra Wildlife Sanctuary

1855. DR. VIJAY MALLYA: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether it is a fact that State Government of Karnataka has requested for release of the balance amount of Rs. 132 lakhs for the rehabilitation of people displaced due to the formation of Bhadra Wildlife Sanctuary; and

(b) if so, by when the amount is likely to be released?

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI NAMO NARAIN MEENA): (a) and (b) Yes, Sir. The State has been requested for sending a detailed proposal in this regard.

Pollution by slaughter houses

†1856. DR. CHHATTRAPAL SINGH LODHA: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) the number of legal and illegal slaughter houses which are causing all kind of pollution in the country State-wise, along with pollution caused;

†Original notice of the question was received in Hindi.